
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): December 2, 2015

Mercury Systems, Inc.
(Exact Name of Registrant as Specified in Charter)

Massachusetts
(State or Other Jurisdiction
of Incorporation)

000-23599
(Commission File Number)

04-2741391
(IRS Employer
Identification No.)

201 Riverneck Road, Chelmsford, Massachusetts 01824
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (978) 256-1300

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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-

Item 7.01 Regulation FD Disclosure.

The management of Mercury Systems, Inc. (the “Company”) will present an overview of the Company’s business on December 2, 2015 at the Company’s Annual Investor Conference. Attached as Exhibit 99.1 to this Report is a copy of the slide presentation to be made by the Company at the conference.

This information is being furnished pursuant to Item 7.01 of this Report and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section and will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference. This Report will not be deemed an admission as to the materiality of any information in this Report that is being disclosed pursuant to Regulation FD.

Please refer to page 2 of Exhibit 99.1 for a discussion of certain forward-looking statements included therein and the risks and uncertainties related thereto, as well as the use of non-GAAP financial measures included therein.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

Exhibit No.	Description
99.1	Presentation materials dated December 2, 2015

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: December 2, 2015

MERCURY SYSTEMS, INC.

By: /s/ Gerald M. Haines II

Gerald M. Haines II

Executive Vice President, Chief Financial Officer, and Treasurer

Exhibit Index

Exhibit No.	Description
99.1	Presentation materials dated December 2, 2015

Mercury Systems FY16 Investor Day Presentation

December 2, 2015
Nasdaq MarketSite
New York, NY



Forward-looking safe harbor statement

This presentation contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the products and services described herein. You can identify these statements by the use of the words "may," "will," "could," "should," "would," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," "likely," "forecast," "probable," "potential," and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding, general economic and business conditions, including unforeseen weakness in the Company's markets, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. Government's interpretation of, federal export control or procurement rules and regulations, market acceptance of the Company's products, shortages in components, production delays or unanticipated expenses due to performance quality issues with outsourced components, inability to fully realize the expected benefits from acquisitions and restructurings, or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, changes to export regulations, increases in tax rates, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2015. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

Use of Non-GAAP (Generally Accepted Accounting Principles) Financial Measures

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, the Company provides adjusted EBITDA, adjusted income from continuing operations, and adjusted EPS which are non-GAAP financial measures. Adjusted EBITDA, adjusted income from continuing operations, and adjusted EPS exclude certain non-cash and other specified charges. The Company believes these non-GAAP financial measures are useful to help investors better understand its past financial performance and prospects for the future. However, the presentation of adjusted EBITDA, adjusted income from continuing operations and adjusted EPS is not meant to be considered in isolation or as a substitute for financial information provided in accordance with GAAP. Management believes the adjusted EBITDA, adjusted income from continuing operations, and adjusted EPS financial measures assist in providing a more complete understanding of the Company's underlying operational results and trends, and management uses these measures along with the corresponding GAAP financial measures to manage the Company's business, to evaluate its performance compared to prior periods and the marketplace, and to establish operational goals. A reconciliation of GAAP to non-GAAP financial results discussed in this presentation is contained in the Appendix hereto.

Agenda

- **Strategy & Business Update**

- Mark Aslett
President & CEO

- **Program Update**

- **Financial Update**

- **Q&A**



Pioneering a next generation defense electronics company...

- High-tech commercial business model
- Secure and sensor processing subsystems
- Serving defense Prime contractor outsourcing needs
- Deployed on 300+ programs with 25+ Prime contractors
- FY15 \$235M revenue
Growth YoY: 13% revenue, 89% Adj. EBITDA, 19% backlog
- FY16 guidance⁽¹⁾:
Growth YoY: 5% revenue, 10% Adj. EBITDA

Mercury Commercial Electronics (MCE)

\$208M revenue / 559 employees⁽²⁾

- RF and microwave solutions
- Digital solutions
- Secure processing subsystems
- Sensor processing subsystems

Select Customers

Raytheon

LOCKHEED MARTIN

NORTHROP GRUMMAN

BOEING

BAE SYSTEMS

HARRIS

snc SIERRA NEVADA CORPORATION

GENERAL ATOMICS

Mercury Defense Systems (MDS)

\$27M revenue / 70 employees⁽²⁾

- Electronic Warfare (EW)
- Signals Intelligence (SIGINT)
- Electro-Optical/Infrared (EO/IR)
- Test and Simulation

Select Customers

Raytheon

NORTHROP GRUMMAN

BOEING

LOCKHEED MARTIN

EADS

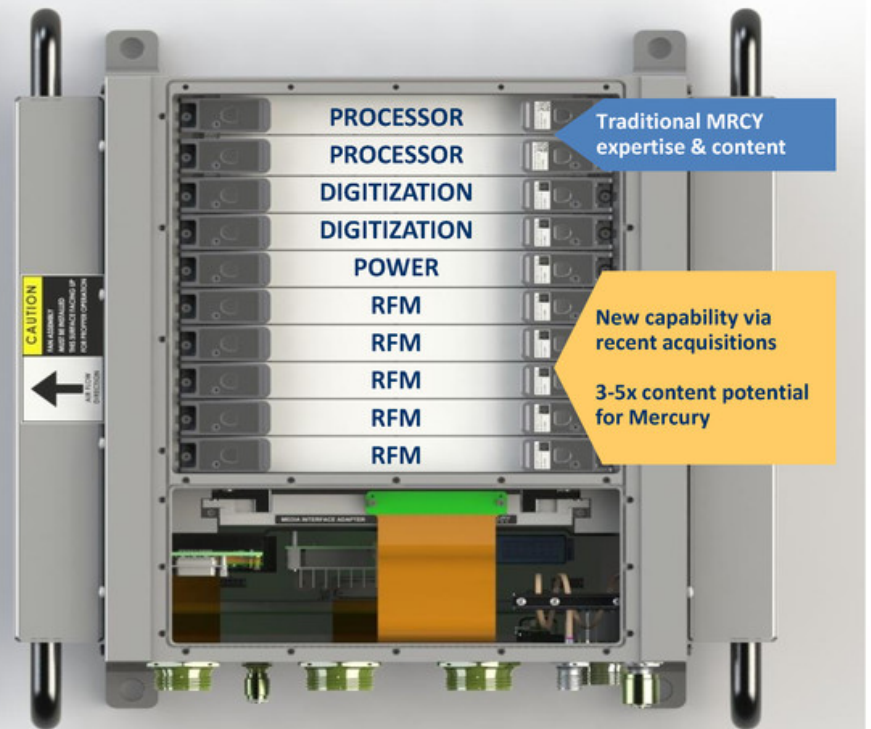
snc SIERRA NEVADA CORPORATION



...to address the industry's challenges and opportunities

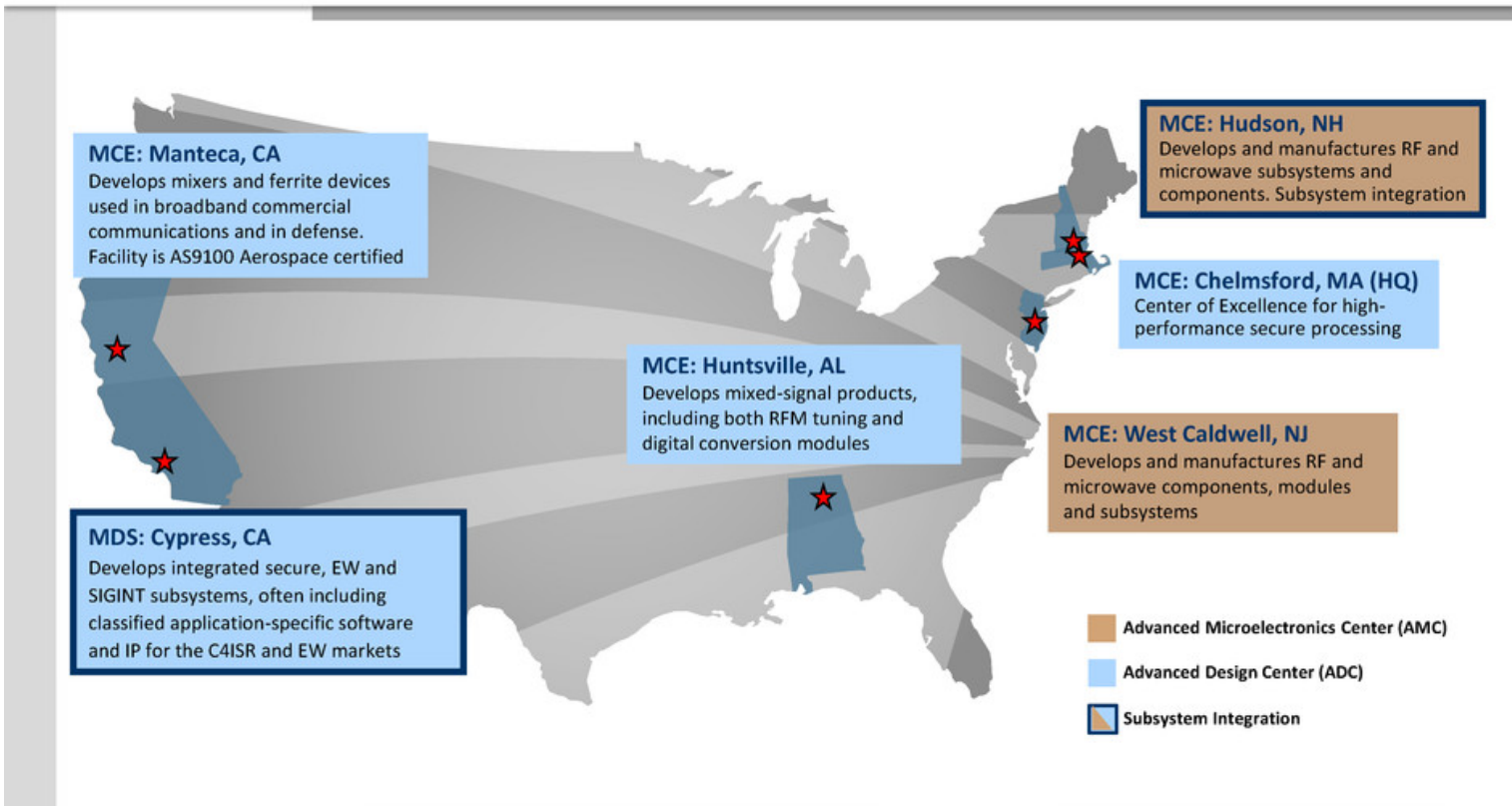
Acquisitions have transformed Mercury into a pure play...

- Acquired capability expands total addressable market
- Moved up the value chain
- Facilitates greater customer outsourcing
- Accelerates customer supply chain consolidation
- Disintermediate traditional competitors
- Low-risk content expansion organic growth strategy
- Integrated acquisitions. Ready for future M&A



...provider of outsourced defense electronics subsystems

US based design, manufacturing and integration footprint...



...is vital to supply chain trust, integrity and increased outsourcing

We are deployed on 300+ programs with 25+ Primes

RADAR	F-16	F-35	Triton; NATO AGS Global Hawk	Patriot	Aegis Aegis Ashore
					
EW	F-15	AH-64 Apache	Global Hawk	Badger/Buzzard	SEWIP
					
EO/IR – C4I	F-16	Reaper/Gorgon Stare	F-35	P-8	Fury
					

LOCKHEED MARTIN

NORTHROP GRUMMAN

BAE SYSTEMS



BOEING

Raytheon

TELEPHONICS
A Griffon Company

argon ST

HARRIS

snc
SIERRA
NEVADA
CORPORATION

UTC Aerospace Systems

GENERAL ATOMICS

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Critical steps to growth and pioneering a new model



Defense will likely remain a \$500B+ industry...



Political Dysfunction:

Sequestration-driven cuts and repeated Continuing Resolutions disrupting DoD budget process and spending



Crowding Out of Defense Spending and Investment:

Rising interest rates, healthcare and social spending; MilPer expense growth, aging military platforms' O&M costs rising



Defense Procurement Reform 3.0:

Firm-fixed-price contracts and less government-funded R&D changing economics and competitive dynamics of defense industry



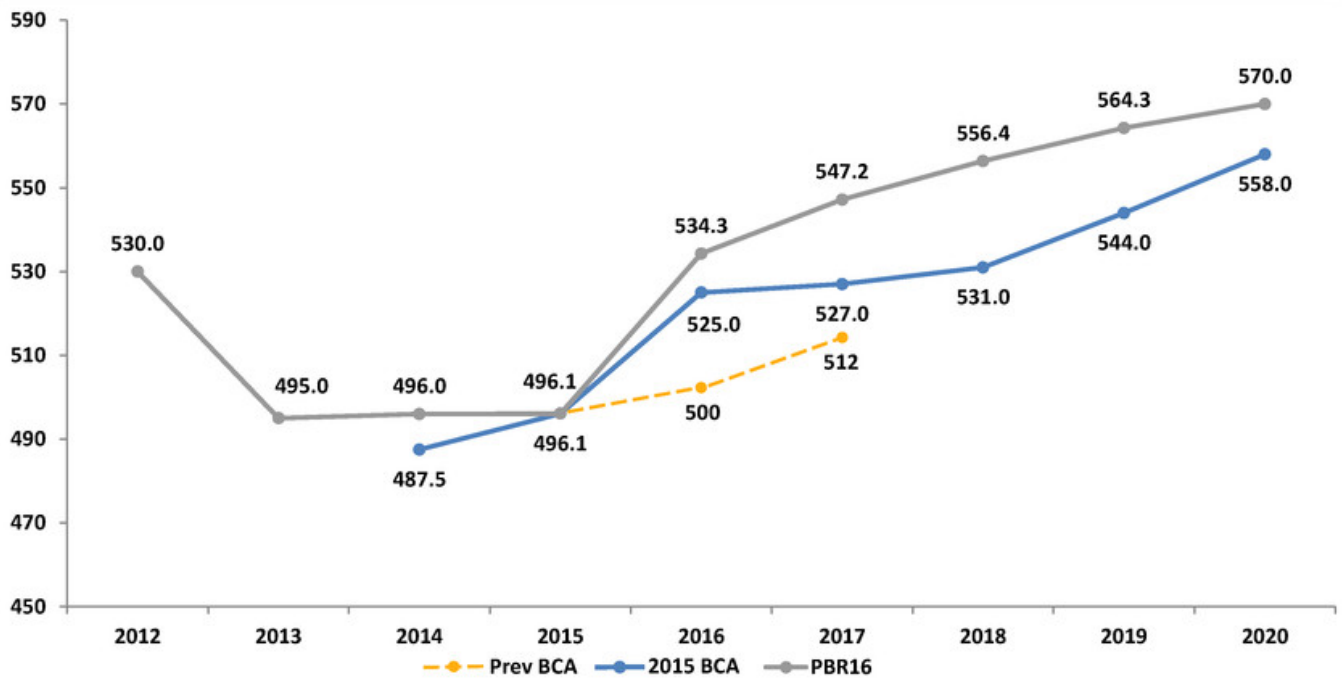
Industry Has Cut Capacity to Innovate:

Reduced headcount, fewer engineers and aging workforce; Less IR&D and growth investments, increased dividends and buybacks

...despite the ongoing political and budget uncertainty

Base Defense budget outlook improving

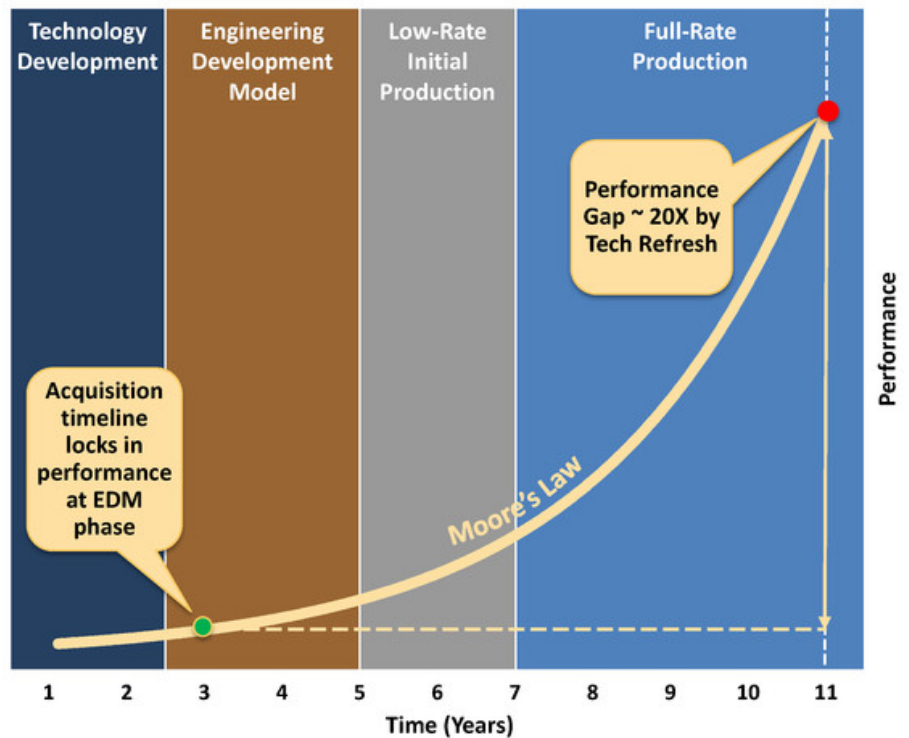
Base Defense Budget vs. 2015 Budget Control Act (BCA) GFY16 & 17 Caps (\$B)



Deal adds \$25B GFY16 and \$15B GFY17. Sequester eliminated in GFY16

Innovation critical to maintaining technological superiority...

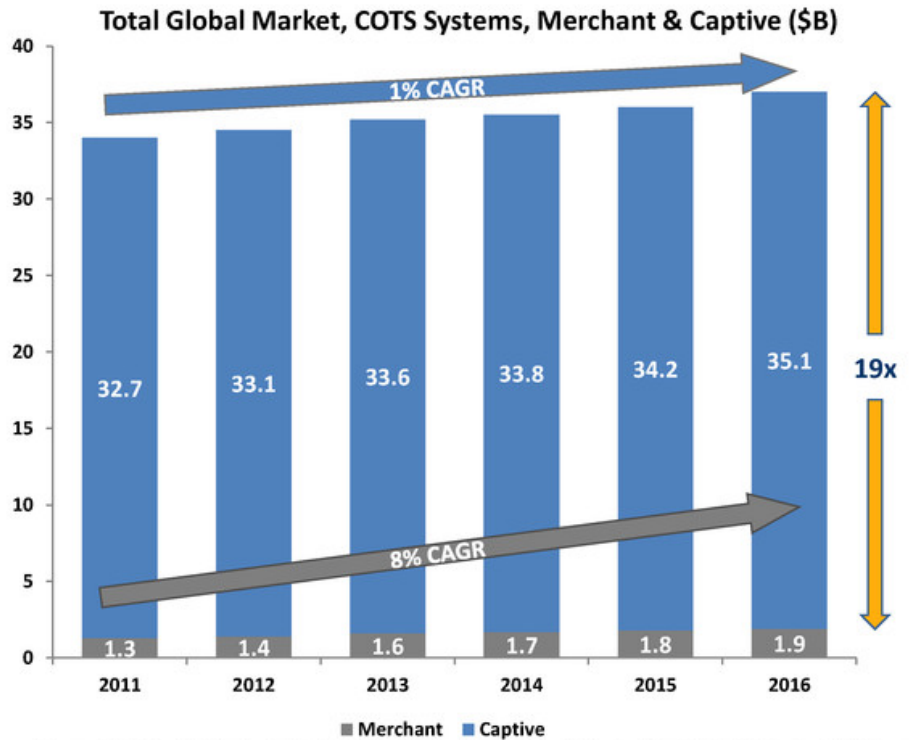
- Threats rapidly proliferating
- The “Three Nots”*
 - Technological superiority is *not* assured
 - R&D is *not* a variable cost
 - Time is *not* recoverable
- DoD development and procurement antiquated
- Commercial companies can help close the gap



...as near peers increase defense spending and invest asymmetrically

Prime outsourcing is our largest growth opportunity...

- Defense electronics is a \$35 billion dollar market
- Captive market is 19x COTS merchant supply
- Outsourcing growth not tied to increased defense spending
- Primes outsourcing to more capable suppliers willing to invest, share risk
- Industry needs new approach



...representing 19x addressable COTS merchant market

Investment highlights

Proven Management Team	Successful business transformation, double-digit defense revenue growth with improved profitability
Leading Market Position	Pure play defense electronics company embedded on key growth programs aligned to DoD priorities
Aligned with Industry Growth Drivers	Pacific pivot, aging platform modernization, foreign and international military sales, SOF quick reaction capabilities
Next Generation Defense Electronics Business Model	US commercially developed: prime, sensor and platform agnostic capabilities improve affordability, time to market, trust
Innovative Technology Leader	Secure and sensor processing subsystems, software and services for critical Defense and Intelligence applications
Low Risk Organic Growth Strategy	RFM and secure processing content expansion strategy targeting key DoD production programs
Business Platform Built to Scale	Scalable business, engineering and manufacturing platform to facilitate future acquisitions

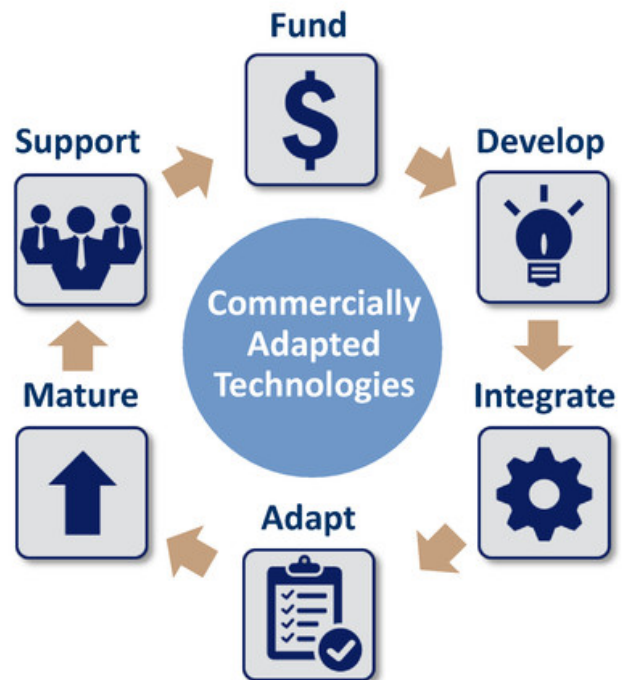
Mercury's vision is to be the...

Leading high-tech commercial
provider of affordable secure
and sensor processing
subsystems designed and
made in the USA



How we operate as a high-tech commercial company...

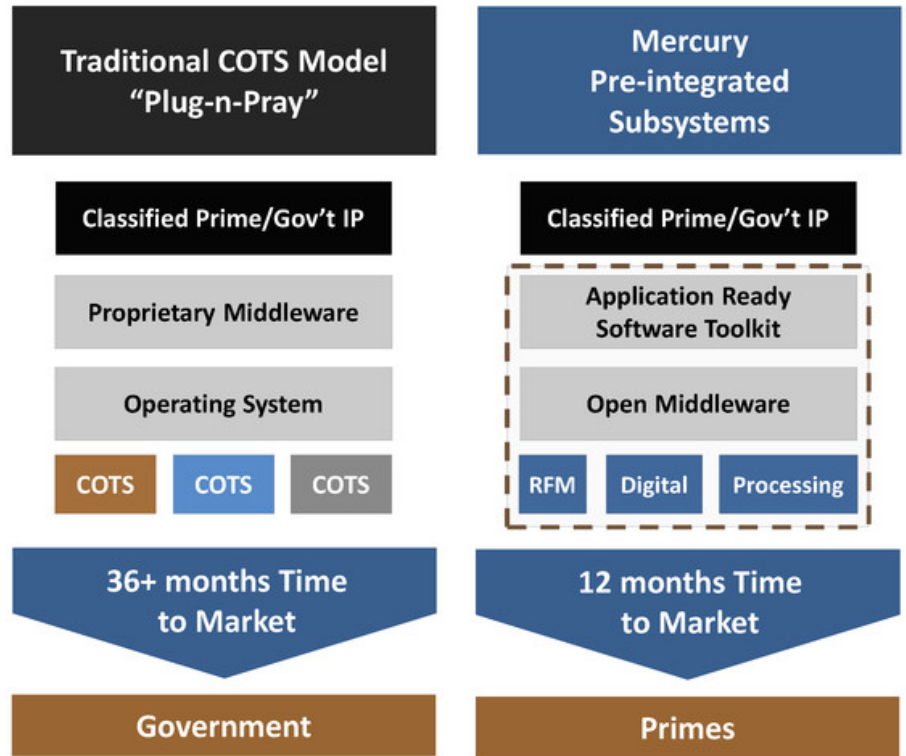
- Internal R&D funds the development of modular, reusable open innovations
- Pre-integration improves affordability, time to market
- Rapid customization and adaptation to platform
- Technology and manufacturing maturation lower cost and reduce risk
- Support rapidly changing commercial technology for a decade or more



...serving the US defense electronics industry

Business model is built for speed, innovation and affordability...

- Traditional COTS board model broken (“Plug-n-Pray”)
 - Product procurement cost low
 - Large hidden integration costs
 - Lower Prime IR&D spending
 - COTS lifecycle support difficult
- Defense procurement reform
 - Less cost-plus Government-funded integration
 - Under firm fixed price, Prime bears risk and expense
- Acquired and pre-integrating sensor chain technologies
 - More affordable, lower risk, simplifies supply chain
 - Open architectures and open middleware speed adoption



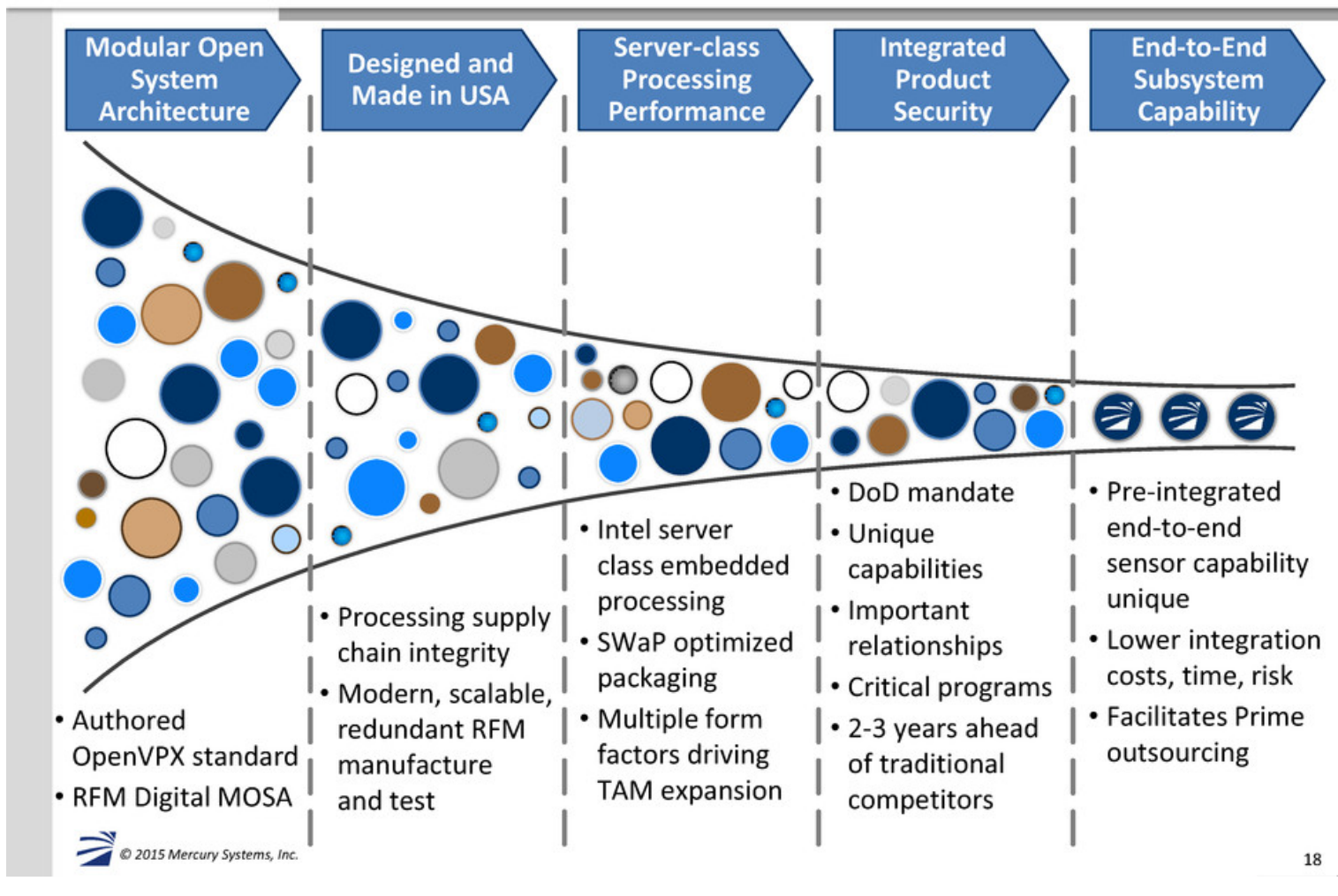
...as customers seek more affordable outsourced subsystems

From highly leveraged Teraflop modules and RFM subassemblies...



...to secure servers and pre-integrated sensor processing subsystems

Factors leading to a unique market position for Mercury



Mercury's capabilities and opportunity for growth...



Pacific Pivot:

Platforms need improved sensors, autonomy, electronic protection and attack, on-board exploitation. Greater demand for onboard processing



Aging Platform Modernization:

Port customer software to available state-of-the-art open architectures to rapidly and affordably upgrade electronics on aging military platforms



International and Foreign Military Sales:

Upgrade subsystems with security for export to expand addressable market, grow revenues and access international customer R&D funding



Special Operations Forces Quick Reaction Capability:

Provide rapid reaction and affordable new capabilities to support anti-terror and other special forces missions globally

...are aligned to DoD investment priorities

Defense industry growth drivers translate into specific...



Outsourced Secure Processing Subsystems:

Grow blade-server processing applications. Expand into other mission-critical secure compute applications beyond the sensor



RF and Microwave Outsourcing:

Grow share in integrated RF and microwave assemblies and MOSA RF subsystems by providing customers a better alternative



Outsourced Pre-Integrated Sensor Processing Subsystems:

Provide more affordable pre-integrated MOSA sensor processing subsystems that preserves customer software value-add

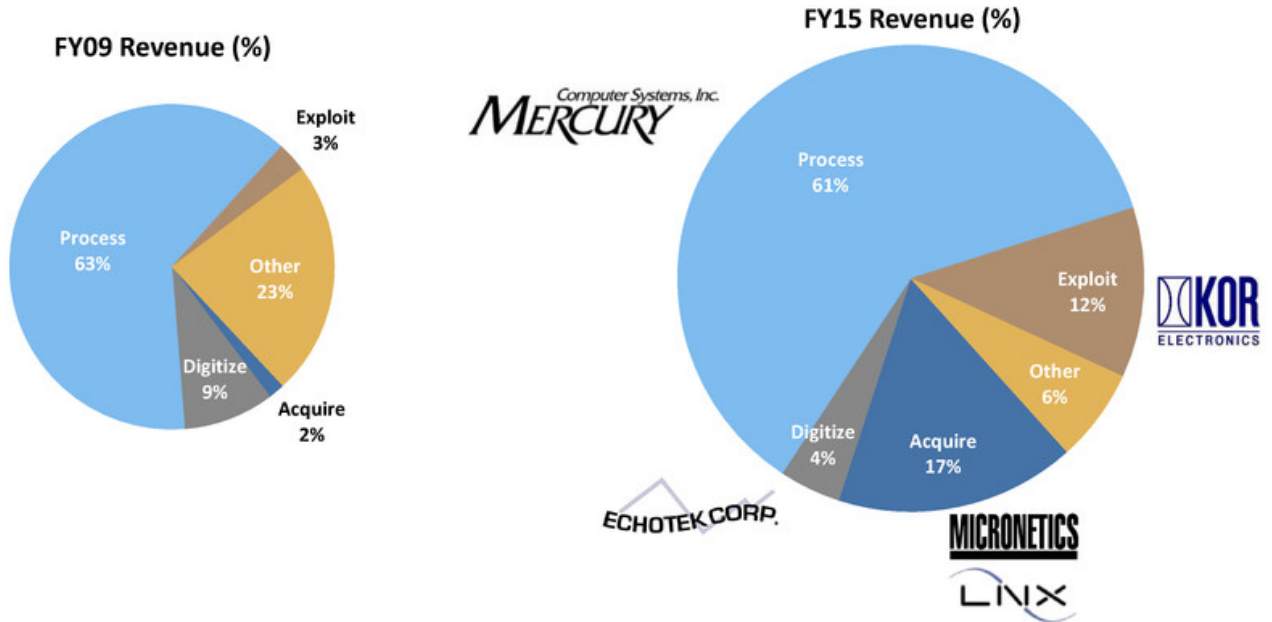
...company growth drivers that we are pursuing

Blade server processing capabilities enable...



...expansion into new mission-critical compute applications

Acquisitions have broadened capabilities across sensor chain...

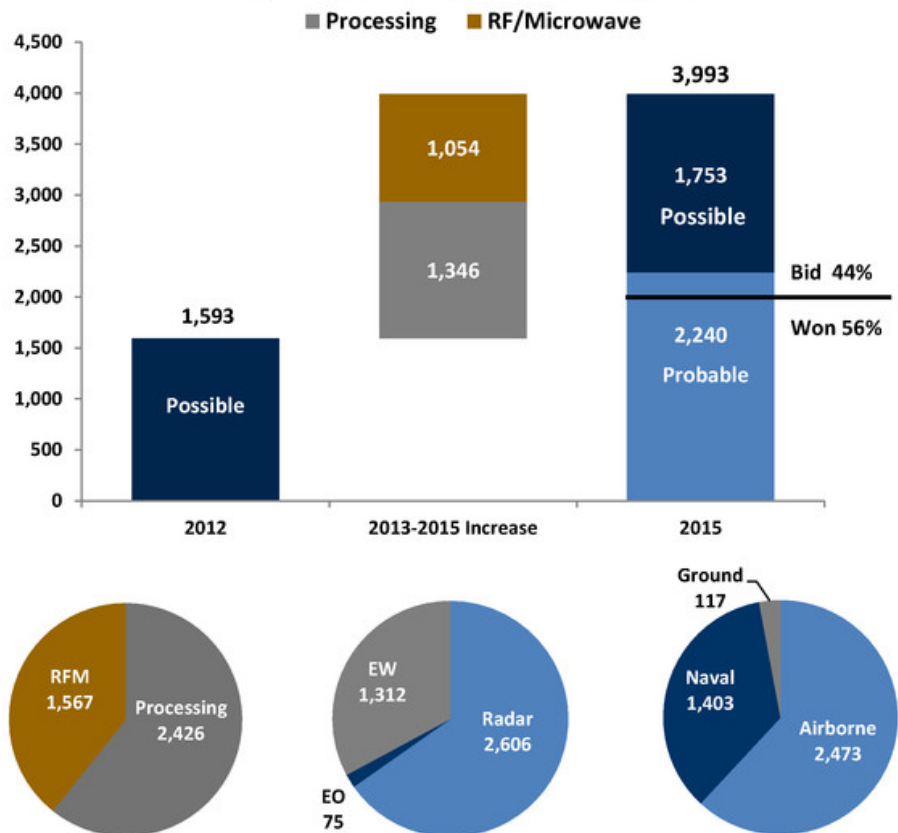


...yielding new revenue streams via program content expansion

Acquisitions and investments driving significant opportunity growth

- Low-risk content expansion growth strategy
- Key production programs
- Total potential value grew 2.5x to \$4.0B in 3 years
- Converted 1.4x of possible to probable value in 3 years
- After 3 years, RFM now represents ~40% of our opportunity pipeline
- Opportunities driven by Radar (65%) and EW (33%)

Key Programs Pipeline Value (\$M)



Strategy and investments have positioned Mercury well

- Pioneering a next-generation defense electronics business model
- Unique technology and capabilities on key production programs
- Low-risk content expansion growth strategy with demonstrable progress
- Largest secular growth opportunity captive Prime outsourcing
- Above industry-average growth; dramatic improvement in profitability
- Business platform built to grow and scale through future acquisitions



Agenda

- Strategy & Business Update

- Program Update

- Didier Thibaud
President, Mercury Commercial Electronics (MCE)

- Financial Update

- Q&A



Program focus driving substantial growth potential

Mercury's perspective on phase, timing and potential value

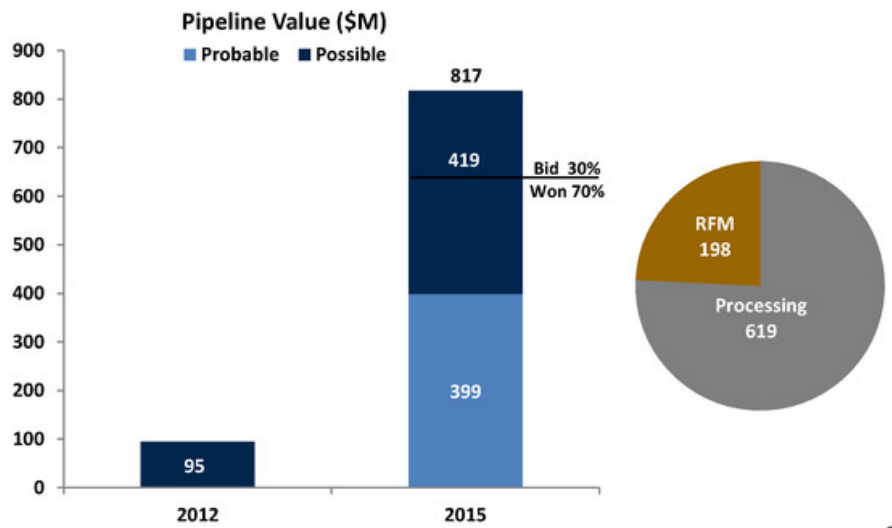
EMD LRIP FRP FMS

	FY15	FY16	FY17	Production Years	Probable Bid vs. Won	Expansion		Probable	Possible	
						Process	RFM	Total (\$M)	Total (\$M)	
Aegis	Sensor Processing			FRP: FY14-25	Won	✓		296	523	
	Processing Expansion			FRP: FY19-25	Bid	✓		57	96	
	RFM			FRP: FY16-25	Won/Bid		✓	46	198	
SEWIP	Block 2			FRP: FY16-26	Won		✓	312	442	
	Small Ship			FRP: FY17-26	Won		✓	104	144	
F-35	Existing			LRIP: Up to FY21	Won	✓		49	51	
	Processing			LRIP: FY19-21	Bid	✓		604	1050	
	RFM			LRIP: FY19-21	Bid		✓	94	255	
Buzzard/Badger				FRP: FY14-25	Won		✓	111	167	
Patriot				FRP: FY14-25	Won	✓		70	117	
Gorgon Stare				FRP: FY14-20	Won	✓		39	75	
Others	(Predator/Reaper, F-15 EW, E-2D Hawkeye, F-16 SABR, P-8, SIRFC/AIDEWS, BAMS/Triton, AWACS, Classified)							460	875	
Note: Refer to Appendix for definitions of "Bid", "Won", "Probable" and "Possible". Probable and Possible values exclude FY15 and are as of July 2015. Numbers are rounded.								Total:	\$2,240	\$3,993
								vs. Nov. 2013	1,355	2,045
								% Growth:	65%	95%

Aegis

Integrated radar & missile defense system

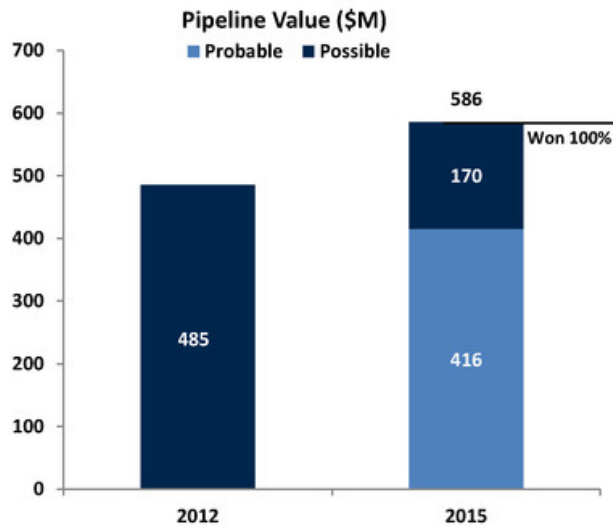
- 10+ year Lockheed Martin relationship
- Domestic installed base
Radar processing tech refresh
- Well-positioned with new server-class processing and RFM solutions
- FMS development and production opportunities
- Processing expansion opportunities beyond Radar
- New opportunities driving \$800M+ potential growth



SEWIP

Legacy SLQ-32 electronic warfare system upgrade

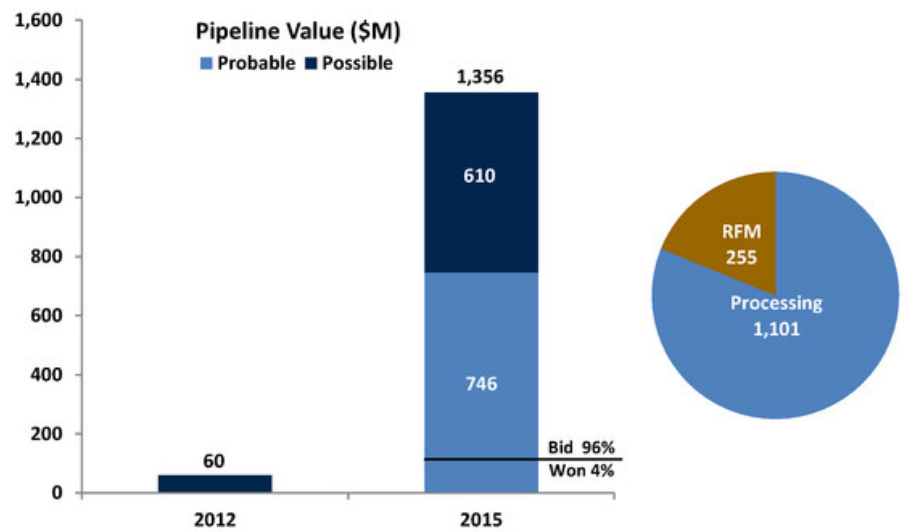
- 10+ year Lockheed Martin relationship
- Largest Naval EW upgrade program
- Largest Block 2 RFM supplier
- CY15 derivative opportunity for FMS and smaller ships
- Pursuing electronic attack opportunities on Block 3
- Franchise program in production driving \$500M+ potential growth



F-35 Joint Strike Fighter

Multi-role combat aircraft for ground attack, aerial recon and air defense missions

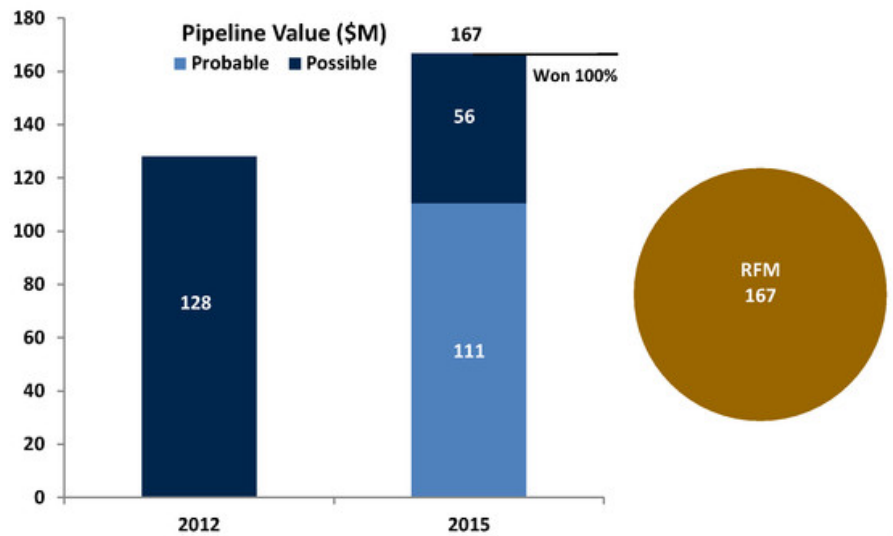
- Mercury's multiprocessor technology leadership key factor in program selection
- IP licensing of multiprocessor architecture and software
- Well-positioned for future tech refresh with next-generation server-class processing architecture
- New RFM capabilities create expansion opportunity
- Airborne processing leadership driving \$1.3B+ opportunity



Badger / Buzzard

Electronic attack systems for Navy/AF vulnerability assessment and tactics training

- 20+ year US Navy relationship
- Leader in digital radio frequency memory (DRFM) technologies
- \$42M Badger IDIQ in Q2FY16
- Buzzard: Next-generation advanced DRFM
- Synergies with MCE driving innovative miniaturized microwave technology
- Critical EW needs for Pacific pivot driving long-term revenue



E-2D Advanced Hawkeye

Navy's new carrier-based tactical battle management aircraft

- Upgrades Radar system, missile defense capabilities, multi-sensor integration
- 75 aircraft Navy program; in FRP
- Developed prototypes with LM for several years
- Providing Radar processing subsystem using advanced packaging technology
- Design win in Q4FY15
- \$15M award in Q1FY16

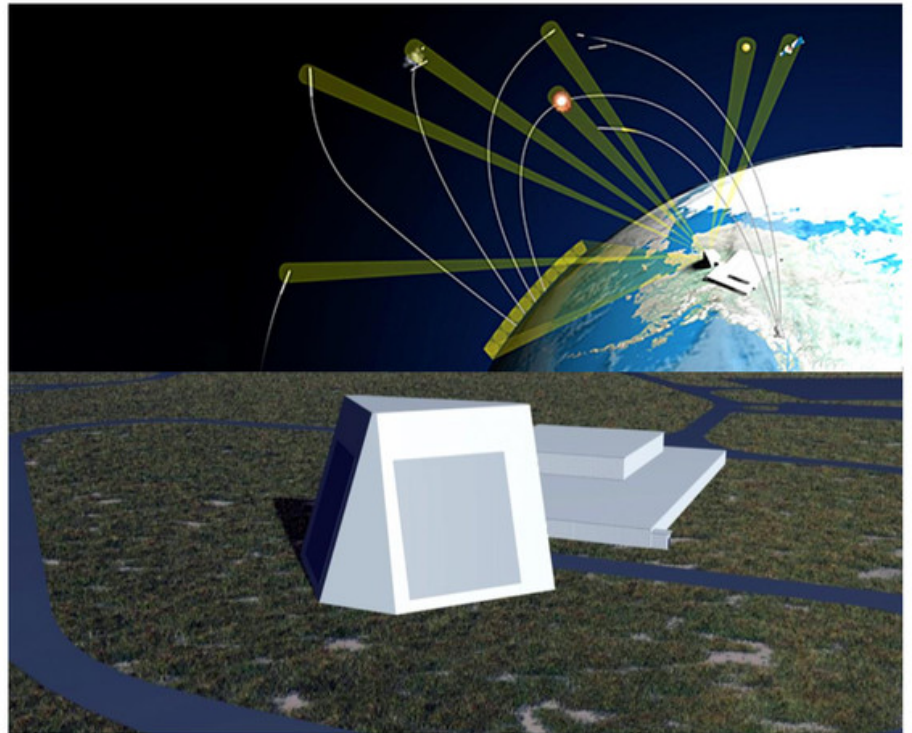


Mercury's technology leadership driving design win

Long Range Discrimination Radar (LRDR)

New ground-based ballistic missile defense Radar

- Long-standing relationship with LM based on Aegis
- Designed to protect U.S. from ballistic missile threats
- Enhances target discrimination capability
- Providing full server-class Radar processing subsystem
- Leadership in server-class open architecture
- Potential expansion to RFM



Strategic partnership and technology leadership fueling growth

Stable base of programs driving long-term visibility

- Designed in on well-funded, long-standing programs of record
- Aligned with DoD strategy and in growing areas of the budget
- Leveraging long-standing relationships with key strategic accounts
- Internal investment in innovation builds annuity revenue streams
- Driving content and market expansion through RFM acquisitions

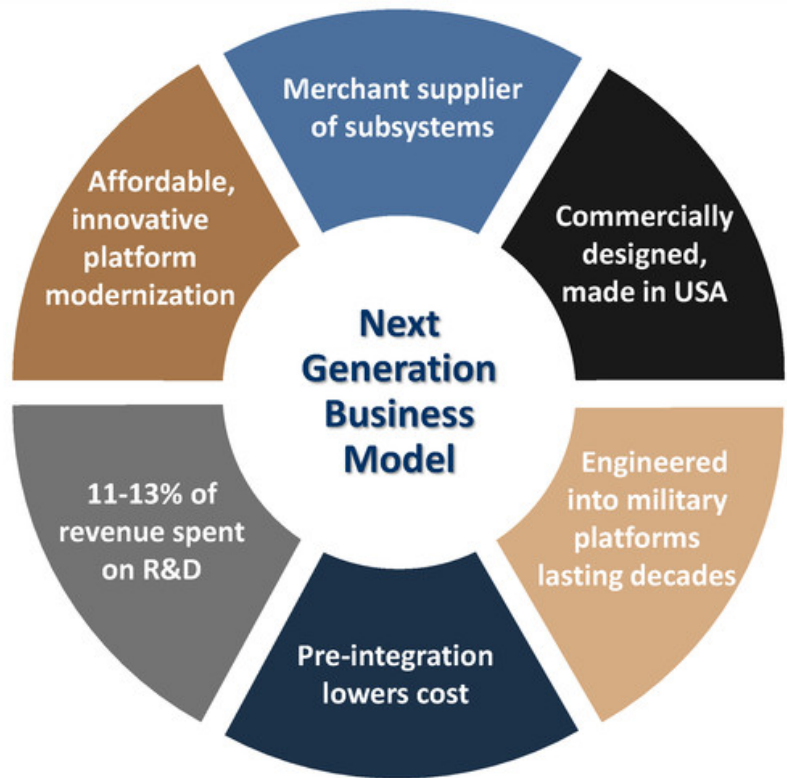
Agenda

- Strategy & Business Update
- Program Update
- Financial Update
 - Gerry Haines
CFO
- Q&A



Pioneering a next-generation business model...

- Few subsystem competitors
- High barriers to entry
- Annuity revenue streams
- Primes outsource to lower cost & risk
- Value-based innovation, modular design for re-use
- Rapid adaptation and implementation
- Simplifies Primes' supply chain



...creating a unique opportunity for growth and strong returns

Mercury's position is very strong...

The defense environment has improved since FY13

- Budget deal yields first increases in 5 years
- Targeted market segments remain strong
- Franchise programs moving into full-rate production
- Next-gen programs being awarded
- Budget growth creates new opportunities

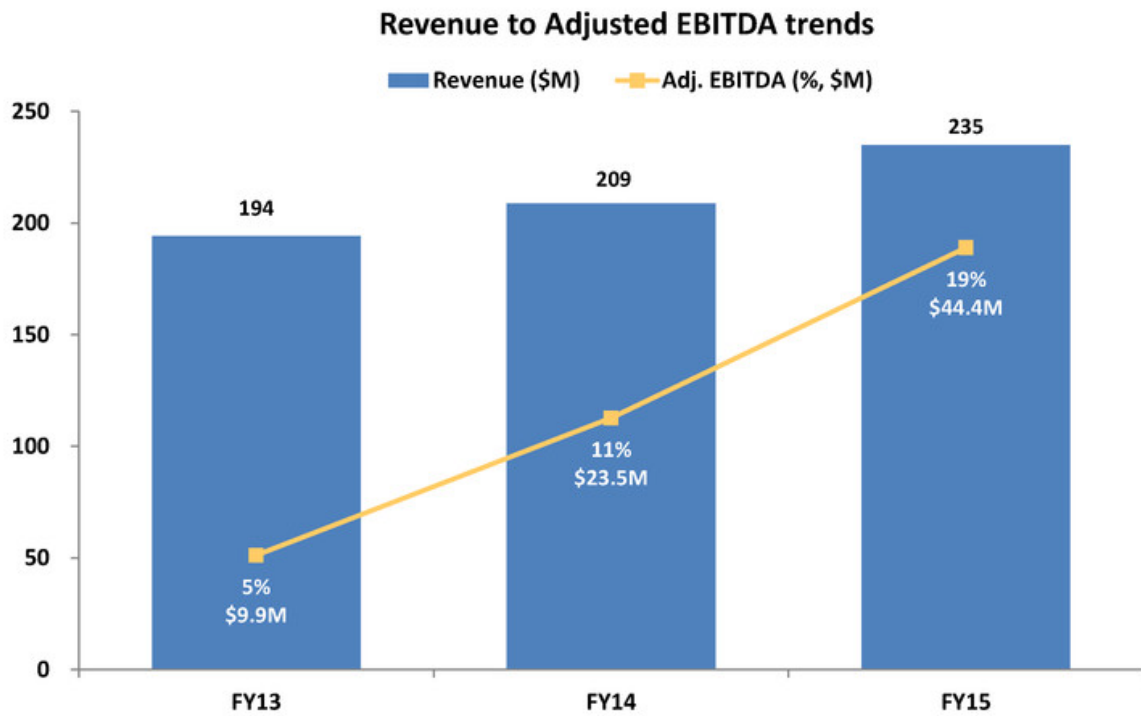


Strategic and financial actions positioned us well

- Acquired capabilities yield low-risk growth opportunities
- Improved cost structure yields continued operating leverage
- Adding content on long-standing, well-funded franchise programs
- Backlog and revenue coverage doubled since FY11
- FY16 forecast based on strong programs, with ample "upside"

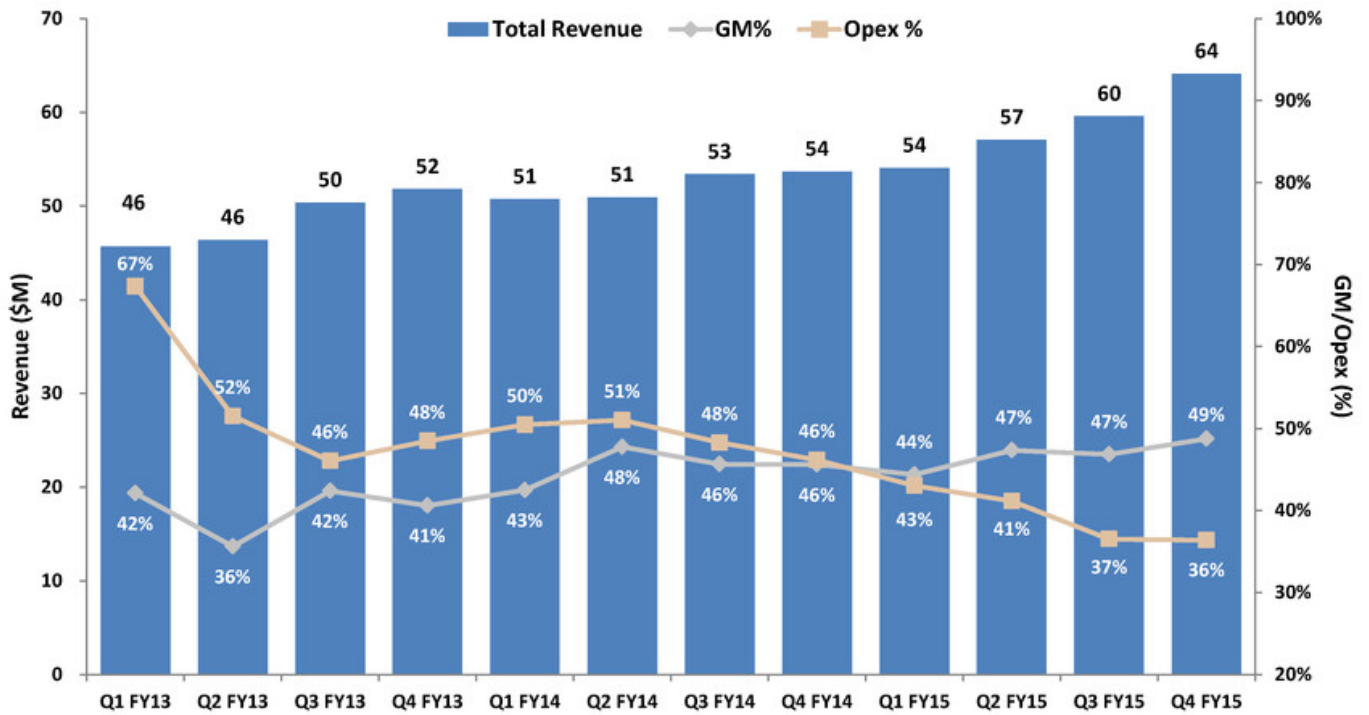
... with growth and profitability outpacing industry averages

Strong revenue growth and operating leverage...



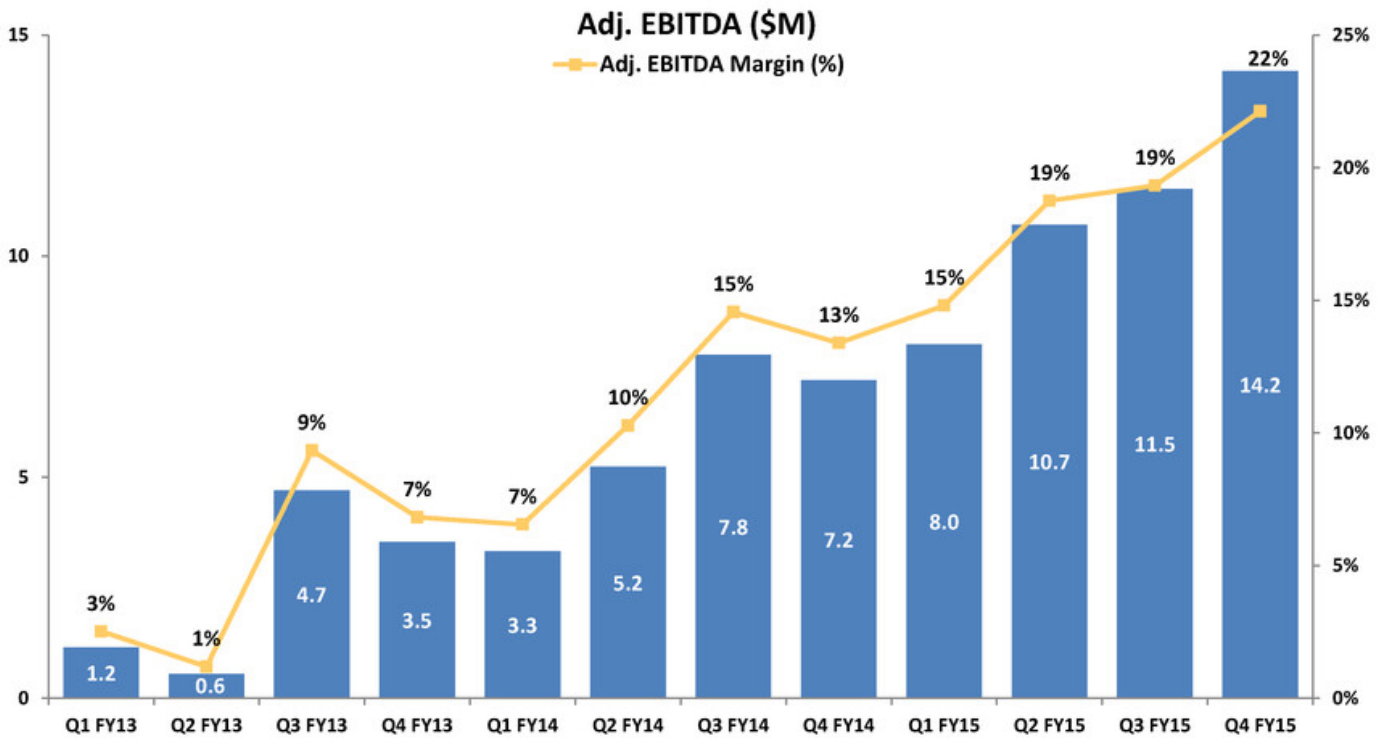
...yielded dramatic growth in adjusted EBITDA

FY13-FY15 revenue CAGR of 10%...



...with steady gross margin expansion, expense reduction

FY13-FY15 Adjusted EBITDA CAGR of 111%

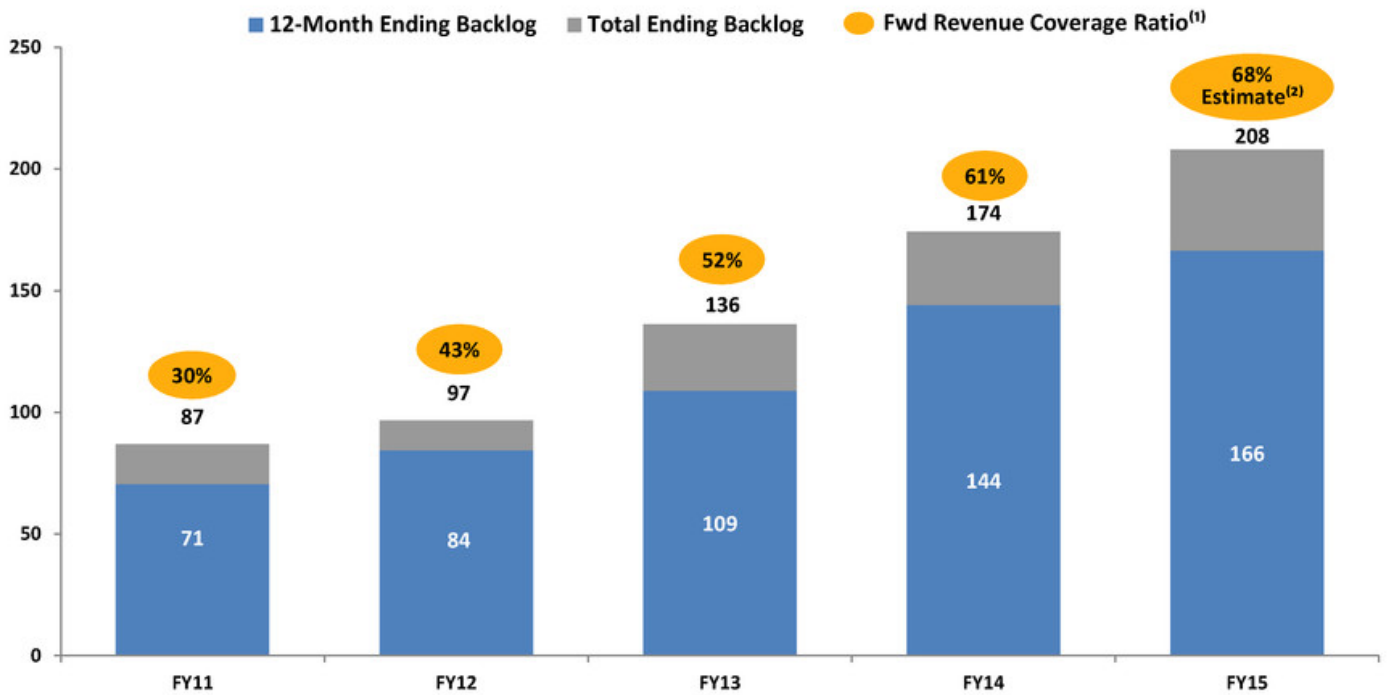


Notes:

- FY13-15 figures are reported in the Company's fiscal 2015 Form 10-K.
- Adjusted EBITDA is income from continuing operations, less interest income and expense, income taxes, depreciation, amortization of acquired intangible assets, restructuring and other charges, impairment of long-lived assets, acquisition and financing costs, fair value adjustments from purchase accounting, litigation and settlement expenses and stock-based compensation costs.

FY11-FY15 backlog CAGR of 24%...

Mercury Ending Backlog (\$M)



...yielded record backlog and revenue coverage exiting FY15

FY16 guidance

GAAP (\$M)	FY15	FY16 ⁽¹⁾	Change
Revenue	234.8	~\$247	5%
Gross Margin (%)	47%	-	-
Operating Expenses	91.9	-	-
Adjusted EPS	0.82	-	-
Adj. EBITDA	44.4	~\$48.9	10%

Notes:

(1) The guidance included herein is from the Company's most recent earnings release and is as of the date of that release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.

Q1 FY16 vs. Q1 FY15

GAAP (\$M)	Q1FY15	Q1FY16	Change
Backlog	\$205	\$218	6%
Revenue	\$54	\$58	8%
Gross Margin (%)	44%	47%	3 pts
Operating Expenses	\$23.3	\$24.4 ⁽¹⁾	4.7%
Adjusted EPS	\$0.13	\$0.19	\$0.06
Adj. EBITDA	\$8.0	\$11.8	48%

Notes:

(1) Includes \$2.1 million of acquisition-related expenses incurred in Q1 of fiscal 2016.

Q2 FY16 vs. Q2 FY15

GAAP (\$M)	Q2FY15	Q2FY16 ⁽¹⁾	Change
Revenue	\$57	\$58-\$61	2%-7%
Gross Margin (%)	47%	47%-48%	-
Operating Expenses	\$23.5	\$23-\$24	-
Adjusted EPS	\$0.20	\$0.15-\$0.18	(\$0.05-\$0.02)
Adj. EBITDA	\$10.7	\$10.0-\$11.5	(7%)-7%

Notes:

(1) The guidance included herein is from the Company's most recent earnings release and is as of the date of that release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.

Achievement of target business model for FY16

GAAP	FY15	FY16E ⁽¹⁾	Current Target Business Model
Revenue	100%	100%	100%
Gross Margin	47%	~46%-47%	45%-50%
SG&A	21%	~21%	Low 20's
R&D	14%	~14%	11%-13%
Amortization	3%	~3%	2%-3%
Adjusted EBITDA	19%	~19%-20%	18%-22%

Notes:

(1) The guidance included herein is from the Company's most recent earnings release and is as of the date of that release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.

Guidance: Strong performance track record

		Q1		Q2		Q3		Q4	
		Reported	Guidance	Reported	Guidance	Reported	Guidance	Reported	Guidance
2011	Revenue (\$M)	52.1	48.0-50.0	55.5	54.0-55.0	59.9	58.0-60.0	61.2	57.0-59.0
	EPS (\$)	0.16	0.03-0.06	0.22	0.10-0.12	0.20	0.16-0.18	0.14	0.11-0.13
2012	Revenue (\$M)	49.1	54.0-56.0	68.0	67.0-69.0	67.0	65.0-68.0	60.9	60.0-66.0
	EPS (\$)	0.09	0.10-0.12	0.30	0.24-0.27	0.17	0.09-0.11	0.19	0.04-0.10
2013	Revenue (\$M)	49.4	51.0-57.0	49.8	43.0-49.0	54.1	44.0-50.0	55.4	48.0-54.0
	EPS (\$)	(0.24)	(0.05)-0.00	(0.16)	(0.24)-(0.17)	\$0.03	(0.08)-(0.02)	(0.07)	(0.13)-(0.07)
2014	Revenue (\$M)	53.9	48.0-54.0	53.1	48.0-54.0	55.5	50.0-56.0	54.7	52.0-56.0
	EPS (\$)	(0.07)	(0.14)-(0.08)	(0.03)	(0.12)-(0.06)	(0.02)	(0.15)-(0.09)	(0.02)	(0.10)-(0.04)
2015	Revenue (\$M)	54.1	50.0-55.0	57.1	54.0-58.0	59.6	56.0-60.0	64.1	62.0-64.0
	EPS (\$)	0.02	(0.06)-(0.01)	0.09	0.01-0.05	0.14	0.10-0.14	0.18	0.10-0.13
2016	Revenue (\$M)	58.4	54.0-59.0		58.0-61.0 ⁽¹⁾				
	EPS (\$)	0.06	0.05-0.08		0.15-0.18 ⁽¹⁾				

Notes:

(1) The guidance included herein is from the Company's most recent earnings release and is as of the date of that release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance. In Q2 FY16, the company changed the guidance from GAAP EPS to Adjusted EPS.



Solid balance sheet with zero debt

Ample liquidity, unused \$200M credit facility, \$500M Universal Shelf

(In millions)	FYE14 Actual	FYE15 Actual	Q1 FY16 Actual
ASSETS			
Cash & cash equivalents	47.3	77.6	79.1
Accounts receivable, net	59.7	53.8	66.4
Inventory, net	31.7	32.0	34.7
PP&E, net	14.1	13.2	13.5
Goodwill and intangibles, net	193.1	186.1	184.6
Other	21.6	27.3	23.1
Assets of discontinued operations ⁽¹⁾	6.2	0.0	0.0
TOTAL ASSETS	373.7	390.0	401.4
LIABILITIES AND S/E			
AP and other liabilities	44.2	39.9	48.8
Debt	0.0	0.0	0.0
Liabilities of discontinued operations ⁽¹⁾	2.4	0.0	0.0
Total liabilities	46.6	39.9	48.8
Stockholders' equity	327.1	350.1	352.6
TOTAL LIABILITIES AND S/E	373.7	390.0	401.4

Notes:

(1) Discontinued operations numbers are Mercury Intelligence Systems, which was divested in January 2015.

Poised for continued, profitable growth

- Strategy, operational discipline, integration, yielded significant operating leverage
- Growth and profitability above industry averages
- Record backlog enhances forward visibility, facilitates operational execution
- Strong, established, well-funded programs drive growth potential
- Improving defense environment enhances opportunity set
- Very strong balance sheet with zero debt supports future M&A



Q & A



Appendix

Management team

Demonstrated track record of double-digit defense revenue growth and improved profitability

Since 2007, Mercury management has successfully grown the Company's defense business, returned the Company to profitability, acquired and integrated three companies, and positioned Mercury as a leading pure-play defense electronics company.



Mark Aslett
President, Chief Executive Officer and Director

- Mark joined Mercury in 2007 as President and CEO
- In-depth experience that spans the technology industry, across a variety of markets including telecommunications, data networking, security, defense and life sciences
- Prior to joining Mercury, Mark was President and Chief Executive Officer of Enterasys Networks and held various positions with Marconi plc and its affiliated companies



Didier Thibaud
President, Mercury Commercial Electronics

- Didier has served as President of MCE since 2012; prior positions include managing the Company's Advanced Computing Solutions group and heading international subsidiaries
- Before joining Mercury in 1995, Didier was Technical Director and Account Manager for Horizon Technologies, where he specialized in the development of Services and System Integrations for European Defense and Commercial businesses



Gerry Haines
Executive Vice President, Chief Financial Officer and Treasurer

- Gerry joined Mercury in 2010 and is responsible for Mercury's financial and treasury functions, as well as the Company's legal, security, and compliance and risk management functions
- Executive experience spanning defense, high-tech, biotech, alternative energy and manufacturing
- Prior to joining Mercury, Gerry was Executive Vice President at Verenum Corporation and held various positions with Enterasys Networks, Cabletron Systems, and Applied Extrusion Technologies



Michael Ruppert
Senior Vice President, Strategy and Corporate Development

- Michael is responsible for Mercury's corporate development activities, including strategy, planning and mergers and acquisitions
- Fifteen years of investment banking experience spanning mergers and acquisitions, capital formation, strategy development and execution in aerospace and defense markets
- Prior to joining Mercury, Michael was Co-Founder and Managing Partner of RSPartners, LLC and has held various positions with UBS Securities, Lehman Brothers and Lazard



Q2 FY16 guidance (as of October 27th)

	Q2 FY15	Quarter Ending December 31, 2015 ⁽¹⁾	YoY Change
	Actual	Range	
Revenue	\$57	\$58-\$61	2% - 7%
Adjusted EPS	\$0.20	\$0.15-\$0.18	(\$0.05) to (\$0.02)
Adjusted EBITDA	\$10.7	\$10.0-\$11.5	(7%) - 7%
<u>Adj EBITDA Adjustments:</u>			
Income (loss) from continuing operations	2.9		
Interest expense, net	-		
Tax provision (benefit)	1.0	ETR ~39%	
Depreciation	1.6		
Amortization of intangible assets	1.8	1.6	
Restructuring and other charges	1.2		
Impairment of long-lived assets	-		
Acquisition and financing costs	-		
Fair value adjustments from purchase accounting	-		
Litigation and settlement expenses	-		
Stock-based compensation expense	2.2	2.6	
Adjusted EBITDA	\$10.7	\$10.0-\$11.5	(7%) - 7%

Notes:

(1) The guidance included herein is from the Company's most recent earnings release and is as of the date of that release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.



Adjusted EPS reconciliation

(000's)	FY13	FY14	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16
Diluted net earnings (loss) per share ⁽¹⁾	\$ (0.46)	\$ (0.13)	\$ 0.02	\$ 0.09	\$ 0.14	\$ 0.18	\$ 0.44	\$ 0.06
Income (loss) from continuing operations	\$ (13,782)	\$ (4,072)	\$ 717	\$ 2,886	\$ 4,694	\$ 6,132	\$ 14,429	\$ 1,960
Amortization of intangible assets	8,222	7,328	1,762	1,762	1,744	1,740	7,008	1,713
Restructuring and other charges	7,060	5,443	1,268	1,162	27	718	3,175	338
Impairment of long-lived assets	-	-	-	-	-	-	-	-
Acquisition and financing costs	318	-	-	-	200	251	451	2,298
Fair value adjustments from purchase accounting	2,293	-	-	-	-	-	-	-
Litigation and settlement expenses	-	-	-	-	-	-	-	-
Stock-based compensation expense	7,854	8,999	2,551	2,256	1,870	1,963	8,640	2,702
Impact to income taxes	(8,776)	(5,772)	(1,956)	(1,658)	(1,088)	(2,031)	(6,733)	(2,570)
Adjusted income from continuing operations	\$ 3,189	\$ 11,926	\$ 4,342	\$ 6,408	\$ 7,447	\$ 8,773	\$ 26,970	\$ 6,441
Diluted adjusted net earnings per share ⁽¹⁾	\$ 0.10	\$ 0.38	\$ 0.13	\$ 0.20	\$ 0.22	\$ 0.26	\$ 0.82	\$ 0.19
Weighted-average shares outstanding:								
Basic	30,128	31,000	31,635	32,052	32,298	32,436	32,114	32,778
Diluted	30,492	31,729	32,481	32,686	33,233	33,330	32,939	33,616

Notes:

(1) Numbers shown are in cents.

Adjusted EBITDA reconciliation

(000'S)	FY13	FY14	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16
Income (loss) from continuing operations	\$(13,782)	\$ (4,072)	\$ 717	\$ 2,886	\$ 4,694	\$ 6,132	\$ 14,429	\$ 1,960
Interest expense (income), net	31	40	5	4	1	3	13	(22)
Tax provision (benefit)	(10,501)	(1,841)	-	1,047	1,469	1,850	4,366	1,264
Depreciation	8,445	7,625	1,700	1,590	1,510	1,532	6,332	1,588
Amortization of intangible assets	8,222	7,328	1,762	1,762	1,744	1,740	7,008	1,713
Restructuring and other charges	7,060	5,443	1,268	1,162	27	718	3,175	338
Impairment of long-lived assets	-	-	-	-	-	-	-	-
Acquisition and financing costs	318	-	-	-	200	251	451	2,298
Fair value adjustments from purchase accounting	2,293	-	-	-	-	-	-	-
Litigation and settlement expenses	-	-	-	-	-	-	-	-
Stock-based compensation expense	7,854	8,999	2,551	2,256	1,870	1,963	8,640	2,702
Adjusted EBITDA	\$ 9,940	\$ 23,522	\$ 8,003	\$ 10,707	\$ 11,515	\$ 14,189	\$ 44,414	\$ 11,841

Sales-related definitions

Design Win	A design win means that the customer has selected us to provide services, products, or intellectual property for a program of record or equivalent. In addition, the customer has won the program and we have an initial purchase order from the customer.
Bid	We have a Design Win with a prime contractor who is bidding to win a program of record, or we are bidding to win content on a program of record that has been awarded to a prime contractor.
Won	We have a Design Win with a prime contractor for a program of record, and the prime contractor has won the program and received its contractual award.
Possible	Possible value is a projection based upon our current information and assumptions regarding the system configuration, systems or units utilized per platform or installation, current and potential future Design Wins, our average sales price for current and/or future content, the number of platforms, spares, and potential retrofits, as well as the potential for foreign military sales - all of which could change materially as and when new information becomes available or assumptions are revised. Possible value is the highest outcome we believe to be reasonable given a range of potential outcomes based upon available information and our current set of assumptions.
Probable	Probable value is a projection based upon our current information and assumptions regarding the system configuration, systems or units utilized per platform or installation, current and potential future Design Wins, our average sales price for current and/or future content, the number of platforms, spares, and potential retrofits, as well as the potential for foreign military sales - all of which could change materially as and when new information becomes available or assumptions are revised. Probable value is the outcome we believe to be most likely given a range of potential outcomes based upon available information and our current set of assumptions.

Glossary

AEGIS	Aegis Ballistic Missile Defense System	EDM	Engineering Development Model	MOSA	Modular Open Systems Architecture
AESA	Active Electronically Scanned Array	EMD	Engineering and Manufacturing Development	O&M	Operations & Maintenance
AGS	Alliance Ground Surveillance	EO/IR	Electro-optical / Infrared	OpenVPX	System-level specification for VPX, initiated by Mercury
AIDEWS	Advanced Integrated Defensive Electronic Warfare Suite	EW	Electronic Warfare	PoR	Program of Record
AMC	Advanced Microelectronics Center	FAR	Federal Acquisition Regulation	RFM	Radio Frequency / Microwave
AS9100	Widely adopted and standardized quality management system for aerospace industry	FMS	Foreign Military Sales	SABR	Scalable Agile Beam Radar
ATCA	Advanced Telecommunications Architecture	FRP	Full Rate Production	SEWIP	Surface Electronic Warfare Improvement Program
AWACS	Airborne Warning and Control System	IDIQ	Indefinite Quantity / Indefinite Delivery	SIGINT	Signals Intelligence
BAMS	Broad Area Maritime Surveillance	IMA	Integrated Microwave Assembly	SIRFC	Suite of Integrated RF Countermeasures
BCA	Budget Control Act	LRIP	Low-Rate Initial Production	SOF	Special Operations Forces
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance, Reconnaissance	MCE	Mercury Commercial Electronics	SWaP	Size Weight and Power
COTS	Commercial off-the Shelf	MDS	Mercury Defense Systems	TAM	Total Addressable Market
DRFM	Digital Radio Frequency Memory	MILPER	Military Personnel		

